

**MINUTES
EAGAR TOWN COUNCIL
PUBLIC HEARING
22 W. 2nd St., Eagar, AZ
May 2, 2017 – 6:30 P.M.**

The Work Session was called to order.

COUNCIL PRESENT: Bryce Hamblin, Mayor
Steve Erhart, Vice Mayor
Debra Seeley
James Nelson, Jr.
Winslow McNeill

COUNCIL ABSENT: John Phelps
Allen Browning

STAFF PRESENT: Bruce Ray, Interim Town Manager
Katie Brady, Finance Manager
Eva Wilson, Town Clerk
Mike Sweetser, Police Chief
Jeremiah Loyd, Community Development Director
Frank Adams, Fire Chief
Doug Brown, Town Attorney
Marion Wiltbank, Assistant Town Clerk

ITEM# 1: PUBLIC HEARING

A. FISCAL YEAR 2017-2018 TENTATIVE BUDGET AND CAPITAL IMPROVEMENT PLAN

Town Manager Bruce Ray said that Finance Manager Katie Brady would present a Public Hearing slide PowerPoint on the Fiscal Year 2017-2018 Tentative Budget and then talk about recent changes. In the Public Hearing slide presentation it showed the revenue forecast trends on:

- Local Sales Tax Historical – up 2%
- Shared Revenue Monthly – down 3%
- HURF Historical – up 7.5%
- EAPPA Revenue Projections – from \$70,000 it dropped to \$8,000
- General Fund Revenues
 - City Sales Tax 34%
 - Fees & Permits 3%
 - State Shared Revenue 52%
 - Fines & Forfeitures 1%
 - Rent/Royalties 2%
 - Miscellaneous Revenue 1%
 - Charge for Service 1%
 - Intergov Revenue 4%

○ Recreation 1%

○ Donations 1%

The Budget by Fund Type showed General Fund Expenditures at 45%, HURF Expenditures at 20%, and Utility Expenditures at 35%.

In Budget by Function: Public Safety 57.43% - Public Safety was increased by 3%, General Administration 32.63%, Community Development 4.22%, Debt Service 2.60%, Parks and Recreation 2.57%, Capital Projects 0.55%.

CIP (Capital Improvement Projects) by Fund Type: 61% HURF, 36% Utilities Fund, and 3% in General Fund.

Looking at the five year budget there is now a Contingency/Use of Fund Balance of \$500,000 continuing from FY 2017/2018 onward.

Major Changes

- Contingency is built into each fund – contingency funds to be placed in year they are in.
- Budgeted \$20,000 in the General Fund for LOMAR – remapping of Water Canyon
- Police Department Budget up \$121,000 due to PSPRS – other cities are raising their property taxes. One time payoff and then only manageable numbers of 75 – 80% match for it.
- Fire Department Budget up \$17,000 due to volunteer time
- HURF has \$111,901 budgeted for use of fund balance to spend down excess
- Water Department Budget up \$425,000 for debt payoff and \$175,000 for Capital Project WA-1501

Long Term Planning

Interim Town Manager Bruce Ray said with the loss of EAPPA funds and the cost of the water tanks rehab that will cost \$316,000 just for what we have to repair, he has asked Community Development Director Jeremiah Loyd to look for grants and also do a Request for Proposals to contractors.

Interim Town Manager Bruce Ray presented to Council his staff report that would be a change in the Personnel Rules for Compensation & Classification for employees who have worked less than five years. They would be allowed to have a step increase based on employees performance evaluation. The cost would be around \$14,000 and would affect nine employees. Each year somebody would step out and then they would only be eligible for an increase when promoted to another Grade or Council grants another Cost of Living increase.

Current Remaining Debt

Vice-Mayor Steve Erhart said that the long term debt is over in 2018 and to take back to bonding counsel to payback. Council asked if the WIFA bonds could be paid down in 2017 without a penalty and Town Finance Manager Katie Brady said the penalty would end in 2018 but she would check on the time frame. Vice-Mayor Erhart reported there is an option

on the WIFA website to forgive payments which Springerville took advantage of recently. Ms. Brady will check on it and report back next month.

Mayor Bryce Hamblin asked if there were any question from the one citizen attending the Public Hearing and Ron Shepherd said no.

ITEM #2: ADJOURNMENT

Councilor Winslow McNeill made a motion to adjourn the Public Hearing meeting [at 6:54 p.m.]. Vice-Mayor Steve Erhart seconded; all were in favor, motion carried unanimously. 5-0

Attest: _____

Mayor: _____

Vice-Mayor: _____

Council: _____

